



## Fiscal Year 2012-2013 Third Quarter Financial Status Report

County of San Luis Obispo

### Introduction

In accordance with the Board's adopted policy related to Ongoing Budget Administration, this Third Quarter Financial Report provides an overview of the County's financial position at the end of the third quarter of Fiscal Year 2012-13. The third quarter timeframe is January 1, 2013 through March 31, 2013.

The Third Quarter Financial Status Report is organized in the following eight sections:

**Section 1** - Provides an overview of the County's financial position at the end of the third quarter. A brief summary of noteworthy financial or operational issues by fund center is also provided. Comments are not provided for fund centers reporting no issues in the third quarter.

#### **Board Policy:**

##### **Ongoing Budget Administration**

It shall be the responsibility of the County Administrative Officer to submit Quarterly Financial Status Reports to the Board of Supervisors. These reports shall provide a projection of expenditures and revenues, identifying projected variances. They may also include recommendations and proposed corrective actions which may include mid-year reductions.

**Section 2** - Provides a big picture analysis of third quarter revenue receipts by category (e.g., taxes, charges for services, etc.) and fund (e.g., General Fund, Road Fund, etc.) as well as a review of contingency, designation and reserve activity.

**Section 3** - Provides a listing of all personnel changes approved by the Board of Supervisors during the third quarter.

**Section 4** - Provides miscellaneous financial items for the Board's consideration, such as requests from departments for acceptance of gift funds and donations, requests for relief from accountability, miscellaneous budget adjustments, and a request from the General Services Agency to declare vehicles surplus and authorize their disposal.

**Section 5** - Provides an update on the Capital Improvement Projects (CIP) managed by the General Services Agency and Public Works Department.

**Section 6** - Provides the annual Debt Review update from the Auditor-Controller. The report confirms that the County is in compliance with legal debt limitations and comments on the County's overall debt.

## Section 1: Overview of Financial Position

The table below compares the current year and prior year third quarter expenditures and revenues for all funds and the General Fund.

Expenditure and revenue patterns for the third quarter are consistent with those in the third quarter of FY 2011-12. The revenue realization rates shown in the tables at right are typical for the third quarter due to the time lag involved in billing cycles and receipt of reimbursements, and because some of the largest revenue sources are historically realized closer to the end of the fiscal year.

Expense & Revenue All Funds Comparison		
	3 <sup>rd</sup> Quarter FY 2011-12	3 <sup>rd</sup> Quarter FY 2012-13
Expenditures	60%	59%
Revenue Realized	57%	57%
Expense & Revenue General Fund Comparison		
	3 <sup>rd</sup> Quarter FY 2011-12	3 <sup>rd</sup> Quarter FY 2012-13
Expenditures	66%	65%
Revenue Realized	58%	59%

### Noteworthy Issues Identified in the Third Quarter:

**Department:** Public Defender  
**Fund Center:** 135  
**Issue:** Unbudgeted expenditures  
**Potential Impact to General Fund:** \$50,000

In the second quarter report, your Board was asked to approve a budget adjustment of \$550,000 from General Fund contingencies to offset unbudgeted expenditures associated with a multiple-defendant murder case.

At the time the second quarter report was prepared, staff projected that this additional \$550,000 would be sufficient to cover unbudgeted costs for the remainder of the fiscal year. However, as of the end of the third quarter staff now estimates that Public Defender expenditures may end the year approximately \$50,000 over the adjusted budget. This is primarily due to additional unbudgeted expenses incurred in another recent murder case. Expenditures for murder cases, especially those involving a question regarding the mental competency of the defendant, can be unusually expensive.

As in past years, expenditures for these types of cases are not anticipated as part of the adopted budget. A budget adjustment of \$50,000 is requested to help ensure the Public Defender budget has sufficient appropriation to see it through to the end of the fiscal year.

**Department:** Behavioral Health  
**Fund Center:** 166  
**Issue:** Disallowed Federal Reimbursement for Mental Health and Mental Health Services Act Medi-Cal claims  
**Potential Impact to General Fund:** \$838,108

Each year the State audits Medi-Cal claims that were submitted by the County in previous years. Typically these audits are done on claims that were submitted four years prior to the time of the audit. The purpose of these audits is to validate that the

claims are equal to the actual cost to deliver eligible services, up to the State imposed maximum amount.

Until FY 2012-13, Behavioral Health has claimed for mental health Medi-Cal services at the State's maximum allowed rate of \$2.61 per minute. This maximum allowed rate is effectively a cap on the amount of Federal funds that counties can claim for Medi-Cal eligible services. This maximum allowed rate was typically about 65% lower than the actual cost for the County to deliver these services, but higher than the actual cost for services delivered by some community based organizations. The State only permits the County to claim at one rate. Knowing that a portion of the claims submitted for work done by these community based organizations would be overpaid by the Federal Government (because the amount claimed was higher than the actual cost to deliver these services), the Health Agency has set aside funds in a contingent liability account in order to refund any amounts that are overpaid. That liability trust account is currently approximately \$3 million.

Recently the Health Agency received notice from the State of the amount of overpaid claims for services delivered in FY 2008-09. The total amount overpaid is approximately \$1.86 million (out of a total of \$13.1million claimed for that fiscal year). This amount is approximately \$1.1 million more than the amount the Health Agency had set aside in the trust for potential overpaid claims for FY 2008-09. In order to refund the amount of Federal reimbursement received that has been identified as overpaid, the Health Agency proposes to draw the portion associated with Mental Health Services Act services (MHSA) from the MHSA trust (approximately \$234,500) and the balance (\$838,108 million) from the mental health contingent liability account. This will leave a balance in the mental health liability account of approximately \$1.4 million, which is not expected to be enough to cover estimated overpaid amounts in fiscal years 2009-10, 2010-11 and 2011-12. The Health Agency currently estimates that the total overpayment for these three fiscal years will be approximately \$4.2 million. A portion of this can be refunded from the MHSA trust (\$633,869) but the remaining amount will need to be refunded from the liability account, or another source of funds. Staff will work with the Health Agency to identify options to fund the \$2.2 million gap in funds needed to cover the balance of this liability and will report back to your Board once a viable strategy is developed.

It is important to note that, with the passage of Assembly Bill 1297 in 2011, the State maximum allowed (or capped) rate was eliminated. Beginning in FY 2012-13, the County is now able to submit claims for the actual cost of Medi-Cal services provided. Therefore, once the State audits of claims submitted up through FY 2011-12 are completed, the risk of financial liability due to overpaid amounts will be eliminated.

**Department:** Social Services - Foster Care and Adoptions  
**Fund Center:** 181  
**Issue:** \$287,000 in unbudgeted expenditures  
**Potential Impact to General Fund:** \$0

In the second quarter, it was reported that the Department of Social Services expected that the County's share of costs for Foster Care/Adoptions might exceed budgeted levels by as much as \$500,000 at year end. That was a

conservative estimate, based on six months of costs. As of the end of the third quarter,

with three more months of costs to estimate from, that number has been reduced to \$287,000.

As reported in the second quarter, this expenditure overage is due to several different factors and largely the result of legislative action and court rulings which are beyond the County's control. First, Foster Care caseloads have increased 5.8% over the FY 2011-12 average caseload of 392 and Adoptions caseloads have increased 1.6% over the FY 2011-12 average of 538. Second, in addition to caseload growth, the department is continuing to see a decrease in the percentage of children who qualify as "federally eligible" in the basic Foster Care program. The result is an increase to the County share of costs for Foster Care.

Finally, the implementation of Extended Foster Care (Assembly Bill 12), which extended foster care benefits to youth up to age 21, is also increasing expenditures. The budgetary impacts of this change to benefit eligibility were not known during budget preparation for the current year and as such, the department did not budget for this increased cost. The recommended budget for FY 2013-14 includes funding to cover the increased County share of costs associated with this extended eligibility.

The projected \$287,000 increase to the County's share of costs can be covered with 1991 Realignment revenue with no change to the department's adopted level of General Fund support.

**Department:** Social Services – General Assistance  
**Fund Center:** 185  
**Issue:** \$110,259 in unbudgeted expenditures  
**Potential Impact to General Fund:** \$0

As of the end of the third quarter, the Department of Social Services is reporting General Assistance expenditures are expected to exceed the budget by approximately \$110,300 at year end. This overage can be

covered with additional Supplemental Securing Income (SSI) reimbursements and, as a result, no impact to the department's level of General Fund support is expected.

General Assistance is a cash aid program to help needy individuals and families who are not eligible for assistance under other programs. In the current year, General Assistance caseloads are up 23% compared to the prior year due to the continued down economy, an influx of transients from other areas, as well as the success of the Benefits-ARCH program which the County recently implemented to assist individuals in applying for SSI benefits. Based on the success the department has had in securing reimbursement for SSI expenditures, it appears that other agencies may be referring indigent adults to the County. The result of this is that more people have been applying for, and receiving General Assistance benefits. To mitigate the impact of this, the department recently sponsored a SSI/Social Security Disability Insurance (SSDI) Outreach Access and Recovery (SOAR) training to assist other agencies in improving their ability to recoup SSI expenditures, which will hopefully serve to control General Assistance caseloads.

Fortunately, the success of Benefits-ARCH has also caused the department to be more successful in obtaining reimbursement for SSI expenditures. As a result, increased SSI

reimbursement revenue will offset increased General Assistance expenditures with no need for additional General Fund support.

**Department:** Airport  
**Fund Center:** 425  
**Topic:** Airport update  
**Potential Impact to General Fund:** \$0

As of the end of the third quarter, the Airport projects that the amount of cash balance it will need to cover operational expenses this fiscal year has decreased primarily as a result of savings in budgeted expense. The FY 2012-13 budget includes the use of unallocated

cash in the Airport Fund to cover expenditures that were planned to exceed the budgeted level of revenues by \$259,230. The Airport now projects that it will need \$138,770 of its unallocated cash balance, a reduction of \$120,460 from the amount planned to be used in the adopted FY 2012-13 budget. The decreased need for the use of the Airport's cash balance is due to savings of \$78,855 in services and supplies, a savings of \$1,890 in salaries and benefits, intrafund offsets of \$20,245 and the projection for operational revenues to exceed the budgeted amount by approximately \$19,470.

The number of commercial air service passenger enplanements is the major driver of Airport revenues. Airline enplanement levels through the first three quarters of FY 2012-13 decreased 2.7% as compared to the first three quarters of FY 2011-12. This is a slight improvement from the second quarter enplanement numbers which were 4% less as compared to FY 2011-12. The number of seats available on flights from the Airport continues to be constrained due to the air carriers continued use of several aircraft with reduced seating capacity.

The following table shows enplanement numbers from FY 2007-08 to the present along with annual percentage change in enplanements.

Enplanements	Q1	Q2	Q3	Q4	Cumulative	% Change
<i>2007-08</i>	51,343	48,784	38,794	43,364	182,285	
<i>2008-09</i>	42,697	32,566	26,866	30,619	132,748	-27%
<i>2009-10</i>	32,968	30,873	27,645	33,666	125,152	-6%
<i>2010-11</i>	36,301	36,128	30,496	36,984	139,909	12%
<i>2011-12</i>	35,631	34,493	30,185	33,935	134,244	-4%
<i>2012-13</i>	35,457	31,850	30,354	N/A	97,661	-2.7%*

\*Compares the enplanements through the third quarter of FY 2012-13 to the same time frame for FY 2011-12

In the third quarter, the Airport projects that parking revenues will exceed the budgeted amount by approximately \$23,300 or 3%. Increased revenue collection related to the installation of parking kiosks, which allow airport patrons to pay for parking using credit and debit cards, is largely the reason for this increase. The installation of parking kiosks is helping to increase the recovery of parking revenues at the Airport.

Although the Airport fiscal situation is in line with the budget, the continued use of cash balance to cover expenditures could become a concern in two or three years.

Maintaining and expanding commercial air service continues to be an essential factor for the improvement of the Airport's fiscal position. However, airline capacity at the airport is determined by the commercial airlines based on overall profitability of the flight and availability of equipment to perform the operation. The Airport continues to closely monitor its costs to remain as competitive as possible, but many factors such as fuel and the costs at connecting airports remain beyond their control. We will continue to monitor and report on the Airport as part of the quarterly fiscal report.

## Section 2: Status of Funds, Contingencies and Reserves

### **PART II REVENUE SCHEDULE ANALYSIS THIRD QUARTER FOR FISCAL YEAR 2012-2013**

#### **I. GENERAL:**

The Auditor-Controller's Office has prepared the following Schedules that are attached following this narrative.

Schedule 1: Comparative Statement of County Funds - Revenue Status

Schedule 2: Comparative Statement of Contingencies and Reserves

Schedule 3: Revenues and Expenditures by Functional Area

Schedules 1 and 2 are the focus of the following discussion. Generally, comments are limited to material deviations from the prior year or from what would appear to be normal performance. Schedule 3 is for information only.

#### **II. SCHEDULE 1: Comparative Statement of County Funds - Revenue Status**

##### **A. Summary**

Total budgeted revenues for all funds are \$504.9 million. At the end of the third quarter \$289.8 million or 57% of estimated revenues were realized, which is consistent with the prior year. Taxes and government aid do not follow even monthly flows.

##### **B. Specific Comments - Revenue Status by Type**

Taxes-Current Property: Collections of property tax revenue were 70% at the end of the third quarter, compared to the prior year's realization rate of 67%.

Taxes- Other than Current Property: At the end of the third quarter 69% of estimated revenue was realized, compared to 61% in the prior year. Included in this revenue classification are Transient Occupancy Tax (Bed Tax), Property Transfer Tax, Property Tax In-Lieu of Sales Tax and Property Taxes In-Lieu of Vehicle License Fees. The main factor contributing to this increase is a spike in sales tax revenue generated by construction of solar plants in the county.

Licenses and Permits: The amount realized is 67% of estimates compared to last year's realization rate of 60%. Revenue sources in this class include Franchise Fees, Plan Check Fees and Land Use Permits. Plan Check Fees increased by \$598,000 over the same period last year. Land Use Permits increased by \$201,000 over the same period last year. While the upturn in the economy is responsible for a portion of the increase, the majority of it is attributable to solar plant construction activity.

Fines, Forfeitures and Penalties: The amount realized is 49% compared to last year's realization rate of 57%. A settlement of \$500,000 received in the prior year accounts for most of the difference.

Revenue – Money and Property Use: Realized revenue in this class is 122% compared to the 201% realization rate in the prior year. The unusually high realization rate in the prior year was due to the receipt of unbudgeted revenue for right of way access. Total interest revenue earned by the General Fund was \$50,506 compared to \$94,173 in the same quarter last year. The average rate of return during the third quarter dropped to .2502% compared to .4773% in the prior year.

Aid from Government Agencies: The amount realized is 49%, compared to 51% for the prior year. Aid from government agencies does not follow even monthly revenue flows but catches up in the third and fourth quarters. There are a number of variances from the prior year including the timing of transfers and accrual reversals.

Charges for Current Services: The amount realized is 56%, compared to 62% in the prior year. One significant difference from the prior year is the account used to record Trial Court Security Revenue. In the prior year this revenue was classified as Charges for Current Services. Since Trial Court Security revenue is now classified as State Aid it has become a part of the realignment shift. Another difference is Road Impact Fees; this revenue is recognized based on projects in progress.

Other Revenues: The amount realized in this class decreased by \$1.096 million from the prior year. This was due mainly to the sale of County-owned property in California Valley in FY 2011-12.

#### C. Specific Comments - Revenue by Fund

General Fund: The General Fund realized 59% of estimated revenue as of the end of the third quarter, compared to 58% in the prior year.

Capital Projects Fund: This fund recognized 41% of revenues through the third quarter compared to 34% in the prior year. This is mainly a timing issue as revenue is recognized as projects progress.

Road Fund: The Road Fund realized 45% of estimated revenue in the period compared to 44% in the prior year.

Community Development Program Fund: This fund's revenue through the third quarter was 22% in the current year compared to 33% in the prior year, a decrease of \$1.175 million. The difference from the prior year is one of timing as this revenue is realized as projects are completed

Public Facility Fees: Public Facility Fee Fund realized 163% of revenue in the current fiscal year, compared to 79% in the prior year. Actual revenue increased approximately \$296,000 from the prior year. This is due to a few large projects that have paid fees in the current year. Planning and Building expects that this revenue will return to normal levels after this fiscal year.

Countywide Automation Replacement: Revenue realized in the current year is 29% compared to 52% in the prior year. This is mainly due to \$565,000 received for new contracts for right of way access with two telecommunications carriers in the prior year. This revenue was not budgeted in the prior year but is part of the current budget.



Impact Fees – Traffic: Revenue was realized at 91% in the current year compared to the prior year when 93% was realized in the period. This revenue source is based on building permit activity within Road Improvement Areas of the County.

## **SCHEDULE 2: Comparative Statement of Contingencies and Reserves**

### **A. Contingencies**

During the second quarter \$221,329 of General Fund Contingencies were transferred to County Counsel to cover the costs of outside counsel. During the third quarter, \$550,000 was transferred from contingencies to the Public Defender fund center to cover unbudgeted expenditures for a multiple defendant capital murder trial. As of March 31, 2013, the balance in General Fund Contingencies was \$14,274,878.

In the Community Development Programs Fund, contingencies in the amount of \$28,894 were transferred to the Fund's operating budget to cover projects to be completed by outside agencies as approved by the Homeless Services Oversight Council (HSOC). As of March 31, 2013 the balance in the Fund's contingencies was \$36,791.

### **B. General Reserves**

The Government Code provides that General Reserves may not be used during the operating year unless the Board of Supervisors deems that there is a state of emergency. Since no emergency has existed to date, all balances of reserves are as adopted.

### **C. Designations and Other Reserves**

The Board of Supervisors may choose to designate portions of available funding for a specific future purpose. Such designations reflect tentative plans, which are subject to change. It is this flexibility that distinguishes designations from reserves. The following changes were made during the third quarter.

\$(250,000) GENERAL FUND: to increase appropriation in Fund Center 102 to allow for a line of credit to the Cayucos Fire Protection District.

\$(333,000) CAPITAL PROJECTS FUND: to fund a project to replace a sewer line for Animal Services.

\$130,000 ROAD FUND: outside funding was acquired for a Roads project, decreasing the contribution from the Roads Fund. Therefore, the difference was returned to the Designation for Future Road Projects.

## **III. Schedule of Appropriation Transfers under the Auditor's Authority**

By resolution the Board of Supervisors authorizes the Auditor-Controller to approve appropriation transfers between all object levels within the same budget unit. The resolution also directs that such transfers be reported to the Board on a quarterly basis.

Behavioral Health: \$2,207 of appropriation was transferred from the Services and Supplies object level to the Fixed Asset object level to help cover the cost of Psychiatric Health Facility (PHF) Surveillance System.

Emergency Services: \$11,995 of appropriation was transferred from the Services and Supplies object level to the Fixed Asset object level to cover the cost of Geographic Information Systems (GIS) Mapping Layer project.

COMPARATIVE STATEMENT OF COUNTY FUNDS- REVENUE STATUS  
For the Nine Month Period Ended March 31, 2013 and 2012

Revenue Status by Class	2012-13	Amount		2011-12	Amount	
	Amount	Realized		Amount	Realized	
	Budgeted	03/31/13	%	Budgeted	03/31/12	%
TAXES - CURRENT PROPERTY	\$ 100,326,410	\$ 70,711,726	70 %	\$ 100,089,158	\$ 67,414,364	67 %
TAXES - OTHER THAN CURRENT PROPERTY	49,789,724	34,221,095	69 %	45,426,300	27,556,460	61 %
LICENSES AND PERMITS	8,573,316	5,786,307	67 %	7,833,066	4,735,716	60 %
FINES, FORFEITURES AND PENALTIES	5,478,394	2,707,024	49 %	6,114,587	3,490,565	57 %
REVENUE - MONEY AND PROPERTY USE	830,650	1,011,171	** 122%	845,522	1,700,086	201 %
AID FROM GOVERNMENT AGENCIES	240,098,780	118,660,757	49 %	237,618,881	120,594,628	51 %
CHARGES FOR CURRENT SERVICES	30,538,465	17,061,442	56 %	31,529,946	19,647,252	62 %
OTHER REVENUES	30,587,746	16,675,173	55 %	31,045,083	17,770,798	57 %
OTHER FINANCING SOURCES	38,631,006	23,006,328	60 %	43,550,087	24,332,663	56 %
TOTAL REVENUES	\$ 504,854,491	\$ 289,776,214	57 %	\$ 504,052,630	\$ 287,242,532	57 %

Revenue Status by Fund	2012-13	Amount		2011-12	Amount	
	Amount	Realized		Amount	Realized	
	Budgeted	03/31/13	%	Budgeted	03/31/12	%
1000000000 General Fund	\$ 385,225,728	\$ 228,485,940	59 %	\$ 378,820,148	\$ 220,079,422	58 %
1100000000 Capital Projects	11,693,634	4,847,116	41 %	10,642,193	3,660,620	34 %
1200000000 Road Fund	49,372,271	22,160,527	45 %	52,465,402	23,139,864	44 %
1200500000 Community Devel Pgm	10,043,593	2,247,154	22 %	10,454,212	3,422,391	33 %
1201000000 Public Facility Fees	675,742	1,100,485	163 %	1,019,904	803,608	79 %
1201500000 Parks	9,449,906	6,255,386	66 %	7,847,881	5,274,126	67 %
1202000000 Co-Wide Automation Replacement	7,547,147	2,224,284	29 %	5,254,312	2,734,525	52 %
1202500000 Gen Gov Building Replacement	2,732,613	2,070,402	76 %	5,040,873	4,228,371	84 %
1203000000 Tax Reduction Resrv	0	24,822	%	3,035,109	2,313,032	76 %
1203500000 Impact Fee-Traffic	1,753,500	1,601,135	91 %	2,434,600	2,261,351	93 %
1204000000 Wildlife And Grazing	3,500	5,135	147 %	3,500	6,014	172 %
1204500000 Driving Under the Influence	1,373,406	1,036,187	75 %	1,412,707	1,082,906	77 %
1205000000 Library	8,034,367	5,783,279	72 %	7,939,609	5,284,162	67 %
1205500000 Fish And Game	20,000	15,118	76 %	20,000	16,801	84 %
1206000000 Organizational Development	463,819	340,799	73 %	512,166	373,826	73 %
1206500000 County Med Svcs Prog	5,095,977	3,241,702	64 %	6,005,451	4,111,663	68 %
1207000000 Emergency Med Svcs	801,000	485,507	61 %	820,400	520,674	63 %
1208000000 Debt Service-Cert of Participation	2,256,488	1,693,076	75 %	2,250,163	2,240,662	100 %
1801000000 Pension Obligation Bond DSF	8,311,800	6,222,969	75 %	8,074,000	5,688,514	70 %
TOTAL REVENUES	\$ 504,854,491	\$ 289,776,214	57 %	\$ 504,052,630	\$ 287,242,532	57 %

\*\*Includes third quarter interest earnings of \$50,506 for the General Fund and \$14,303 for the Capital Projects Fund. The interest rate for the third quarter was .2502%.

COMPARATIVE STATEMENT OF CONTINGENCIES AND RESERVES  
By Fund as of March 31, 2013

Contingencies	2011-12 Final Budget	2012-13 Final Budget	As of 03/31/13	2012-13 Increase (Decrease)
General Fund	\$ 14,567,086	\$ 15,043,207	\$ 14,274,878	\$ (771,329)
Community Devel Pgm	35,135	65,685	36,791	(28,894)
Parks	397,251	505,357	505,357	0
Driving Under the Influence	50,000	79,341	79,341	0
Library	47,389	258,395	258,395	0
TOTAL CONTINGENCIES	<u>\$ 15,096,861</u>	<u>\$ 15,951,985</u>	<u>\$ 15,151,762</u>	<u>\$ (800,223)</u>

Designations and Other Reserves	2011-12 Final Budget	2012-13 Final Budget	As of 03/31/13	2012-13 Increase (Decrease)
General Fund				
Co. Fire Equip. Replace	\$ 991,083	\$ 966,922	\$ 966,922	\$ 0
Designated FB-2020 POB	0	4,688,657	4,688,657	0
General Reserve	8,000,000	8,000,000	8,000,000	0
Internal Financing	5,423,419	4,186,511	3,936,511	(250,000)
Solar Plant Mitigation	0	487,165	487,165	0
Willow Rd Interchange	967	967	967	0
Capital Projects				
Detention Facilities	6,500,000	5,067,883	5,067,883	0
Facilities Planning	3,652,728	6,335,134	6,003,134	(333,000)
Juvenile Hall Bldg	2,750,000	1,732,000	1,732,000	0
LO Landfill Closure	415,445	152,732	152,732	0
Solar/Energy Projects	0	1,199,787	1,199,787	0
Road Fund				
Future Road Projects	3,617,000	3,826,718	3,956,718	130,000
N. River Mine Reserve	83,000	83,000	83,000	0
Public Facility Fees				
Reserve for County Fire	1,607,073	2,080,515	2,080,515	0
Reserve for General Gov't	807,454	498,073	498,073	0
Reserve for Law Enforcmnt	1,047,217	1,152,563	1,152,563	0
Reserve for Library	167,131	95,911	95,911	0
Reserve for Parks	1,391,518	1,854,516	1,748,016	(106,500)
Parks				
Lopez Park's Projects	60,000	70,000	70,000	0
Parks Projects	214,768	837,768	837,768	0
Co-Wide Automation Replacement				
Automation Replacement	8,964,861	10,467,113	10,467,113	0
Budget System Developm	770,274	770,274	770,274	0
Gen Gov Building Replacement				
Gov. Building Rpl	9,437,795	13,376,808	13,376,808	0
Library - Cambria	156,376	339,980	368,265	28,285
Tax Reduction Resrv				
Desig-Prop Tax Litigation	797,952	797,952	797,952	0

Tax Reduction Reserves	11,326,531	11,397,138	11,397,138	0
Impact Fee-Traffic				
Improvement Fees	5,327,753	4,873,859	4,873,859	0
Wildlife And Grazing				
General Reserve	377	377	377	0
Wildlife Projects	5,589	11,535	11,535	0
Driving Under the Influence				
General Reserve	200,459	200,459	200,459	0
Systems Development	341,924	419,265	419,265	0
Library				
Atascadero Building Expan	163,131	105,131	105,131	0
Facilities Planning	977,510	777,510	777,510	0
General Reserve	74,690	49,690	49,690	0
Fish And Game				
Environmental Settlemt	15,502	18,862	18,862	0
Fish and Game Projects	86,087	101,890	101,890	0
General Reserve	54,583	54,583	54,583	0
Organizational Development				
Countywide Training	1,324,919	1,479,776	1,479,776	0
General Reserve	396,052	446,510	446,510	0
Debt Service-Cert of Participation				
Loan Payment Reserve	16,373	16,373	16,373	0
Pension Obligation Bond DSF				
Desig - POB Debt Service	6,984,700	6,740,895	6,740,895	0
TOTAL DESIGNATIONS AND RESERVES	<u>\$ 84,152,241</u>	<u>\$ 95,762,802</u>	<u>\$ 95,564,587</u>	<u>\$ (198,215)</u>

REVENUES AND EXPENDITURES BY FUNCTIONAL AREA  
For the Nine Month Period Ended March 31, 2013

Budget Units by Functional Area	2012-13	Amount		2012-13	Amount	
	Budgeted	Expended		Budgeted	Realized	
	Expenditures	03/31/13	%	Revenues	03/31/13	%
<b>General Government</b>						
100 BOARD OF SUPERVISORS	\$ 1,687,906	\$ 1,189,737	70 %	\$ 0	\$ 400	0 %
101 NON-DEPARTMENTAL REVENUES	5	2	40 %	145,965,482	99,678,510	68 %
104 ADMINISTRATIVE OFFICE	1,726,718	1,083,971	63 %	29,236	21,834	75 %
105 RISK MANAGEMENT	1,560,549	1,112,689	71 %	985,045	314,744	32 %
107 AUDITOR-CONTROLLER	5,279,158	3,409,736	65 %	1,279,269	886,776	69 %
108 TREAS-TAX COLL-PUBLIC ADM	3,136,994	1,911,623	61 %	1,505,615	1,018,590	68 %
109 ASSESSOR	9,135,134	5,891,361	64 %	581,492	111,474	19 %
110 CLERK/RECORDER	3,153,771	2,327,844	74 %	2,732,205	2,298,046	84 %
111 COUNTY COUNSEL	4,382,632	2,968,518	68 %	600,000	382,028	64 %
112 HUMAN RESOURCES	2,592,707	1,473,134	57 %	274,705	190,735	69 %
113 GENERAL SERVICES	9,733,127	6,399,818	66 %	3,762,136	2,580,896	69 %
114 INFORMATION TECHNOLOGY DEPARTMENT	10,266,808	7,075,926	69 %	2,124,181	1,231,575	58 %
201 PUBLIC WORKS SPECIAL SERVICES	4,417,526	2,170,517	49 %	2,887,494	1,284,645	44 %
266 COUNTYWIDE AUTOMATION REPLACEMENT	7,850,810	1,494,463	19 %	7,547,147	2,224,284	29 %
267 GEN GOVT BUILDING REPLACEMENT	1,528,166	25,570	2 %	2,732,613	2,070,402	76 %
268 TAX REDUCTION RESERVE	3,353,760	140,894	4 %	0	24,822	0 %
275 ORGANIZATIONAL DEVELOPMENT	546,588	240,131	44 %	463,819	340,799	73 %
290 COMMUNITY DEVELOPMENT PROGRAM	10,072,487	2,297,434	23 %	10,043,593	2,247,154	22 %
TOTAL General Government	\$ <u>80,424,846</u>	\$ <u>41,213,368</u>	<u>51 %</u>	\$ <u>183,514,032</u>	\$ <u>116,907,714</u>	<u>64 %</u>
<b>Public Protection</b>						
130 WASTE MANAGEMNT	\$ 922,415	\$ 516,973	56 %	\$ 290,358	\$ 44,727	15 %
131 GRAND JURY	138,425	92,318	67 %	0	0	0 %
132 DISTRICT ATTORNEY	15,031,943	10,264,956	68 %	6,359,109	2,660,445	42 %
134 CHILD SUPPORT SERVICES	4,658,295	3,242,934	70 %	4,658,293	2,906,895	62 %
135 PUBLIC DEFENDER	6,004,306	4,567,473	76 %	570,277	157,897	28 %
136 SHERIFF-CORONER	62,498,583	43,240,850	69 %	24,083,528	14,686,552	61 %
137 ANIMAL SERVICES	2,409,099	1,737,497	72 %	1,918,467	1,507,186	79 %
138 EMERGENCY SERVICES	1,729,607	997,845	58 %	1,522,764	874,304	57 %
139 PROBATION DEPARTMENT	18,578,831	12,422,478	67 %	9,513,254	5,307,705	56 %
140 COUNTY FIRE	18,865,786	8,204,666	43 %	6,376,824	3,508,698	55 %
141 AGRICULTURAL COMMISSIONER	5,148,871	3,587,647	70 %	3,041,527	768,332	25 %
142 PLANNING & BUILDING DEPARTMENT	13,596,034	8,426,129	62 %	6,961,212	5,103,181	73 %
143 COURT OPERATIONS	2,434,612	1,940,755	80 %	2,547,100	1,723,441	68 %
330 WILDLIFE AND GRAZING	3,500	16	0 %	3,500	5,135	147 %
331 FISH AND GAME	20,000	2,537	13 %	20,000	15,118	76 %
TOTAL Public Protection	\$ <u>152,040,307</u>	\$ <u>99,245,074</u>	<u>65 %</u>	\$ <u>67,866,213</u>	\$ <u>39,269,616</u>	<u>58 %</u>
<b>Public Ways &amp; Facilities</b>						
245 ROADS	\$ 53,856,782	\$ 23,843,984	44 %	\$ 49,372,271	\$ 22,160,527	45 %
247 PUBLIC FACILITIES FEES	4,106,561	433,921	11 %	675,742	1,100,485	163 %
248 ROADS - IMPACT FEES	5,117,037	3,072,853	60 %	1,753,500	1,601,135	91 %
TOTAL Public Ways & Facilities	\$ <u>63,080,380</u>	\$ <u>27,350,758</u>	<u>43 %</u>	\$ <u>51,801,513</u>	\$ <u>24,862,147</u>	<u>48 %</u>

REVENUES AND EXPENDITURES BY FUNCTIONAL AREA  
For the Nine Month Period Ended March 31, 2013

Budget Units by Functional Area	2012-13 Budgeted Expenditures	Amount Expended 03/31/13	%	2012-13 Budgeted Revenues	Amount Realized 03/31/13	%
Health & Sanitation						
160 PUBLIC HEALTH	\$ 22,044,949	\$ 14,362,998	65 %	\$ 18,051,632	\$ 9,094,628	50 %
166 BEHAVIORAL HEALTH	<u>50,931,038</u>	<u>32,763,776</u>	<u>64 %</u>	<u>44,482,072</u>	<u>23,060,085</u>	<u>52 %</u>
TOTAL Health & Sanitation	<u>\$ 72,975,987</u>	<u>\$ 47,126,774</u>	<u>65 %</u>	<u>\$ 62,533,704</u>	<u>\$ 32,154,713</u>	<u>51 %</u>
Public Assistance						
106 CONTRIBUTIONS TO OTHER AGENCIES	\$ 1,918,328	\$ 1,769,725	92 %	\$ 382,500	\$ 19,140	5 %
180 SOCIAL SERVICES ADMINISTRATION	60,323,295	40,124,007	67 %	55,047,595	23,716,754	43 %
181 FOSTER CARE-SOCIAL SERVICES	18,914,675	14,028,241	74 %	18,103,273	12,987,126	72 %
182 CALWORKS	13,118,782	8,604,000	66 %	12,770,256	7,441,190	58 %
183 MEDICAL ASSISTANCE PROG	4,314,405	3,860,804	89 %	161,847	60,170	37 %
184 LAW ENFORCEMENT MED CARE	2,541,277	1,565,522	62 %	933,435	592,609	63 %
185 GENERAL ASSISTANCE	1,074,151	851,666	79 %	436,158	367,376	84 %
186 VETERANS SERVICES	487,140	309,402	64 %	94,400	67,139	71 %
350 CO MEDICAL SERVICES PROG	6,054,480	3,282,810	54 %	5,095,977	3,241,702	64 %
351 EMERGENCY MEDICAL SRVS FUND	<u>1,160,049</u>	<u>620,612</u>	<u>53 %</u>	<u>801,000</u>	<u>485,507</u>	<u>61 %</u>
TOTAL Public Assistance	<u>\$ 109,906,582</u>	<u>\$ 75,016,789</u>	<u>68 %</u>	<u>\$ 93,826,441</u>	<u>\$ 48,978,713</u>	<u>52 %</u>
Education						
215 FARM ADVISOR	\$ 475,232	\$ 314,938	66 %	\$ 4,575	\$ 2,492	54 %
375 DRIVING UNDER THE INFLUENCE	1,373,406	946,660	69 %	1,373,406	1,036,187	75 %
377 LIBRARY	<u>8,867,388</u>	<u>5,639,329</u>	<u>64 %</u>	<u>8,034,367</u>	<u>5,783,279</u>	<u>72 %</u>
TOTAL Education	<u>\$ 10,716,026</u>	<u>\$ 6,900,927</u>	<u>64 %</u>	<u>\$ 9,412,348</u>	<u>\$ 6,821,958</u>	<u>72 %</u>
Recreation & Cultural Services						
305 PARKS	\$ 9,034,987	\$ 5,490,356	61 %	\$ 9,449,906	\$ 6,255,386	66 %
TOTAL Recreation & Cultural Services	<u>\$ 9,034,987</u>	<u>\$ 5,490,356</u>	<u>61 %</u>	<u>\$ 9,449,906</u>	<u>\$ 6,255,386</u>	<u>66 %</u>
Debt Service						
277 DEBT SERVICE	\$ 2,256,488	\$ 1,698,666	75 %	\$ 2,256,488	\$ 1,693,076	75 %
392 PENSION OBLIGATION BOND DSF	<u>8,343,956</u>	<u>8,332,180</u>	<u>100 %</u>	<u>8,311,800</u>	<u>6,222,969</u>	<u>75 %</u>
TOTAL Debt Service	<u>\$ 10,600,444</u>	<u>\$ 10,030,846</u>	<u>95 %</u>	<u>\$ 10,568,288</u>	<u>\$ 7,916,045</u>	<u>75 %</u>
Financing Uses						
102 NON-DEPTL-OTHR FINCNG USE	\$ 17,991,296	\$ 10,452,517	58 %	\$ 2,566,594	\$ 1,679,587	65 %
TOTAL Financing Uses	<u>\$ 17,991,296</u>	<u>\$ 10,452,517</u>	<u>58 %</u>	<u>\$ 2,566,594</u>	<u>\$ 1,679,587</u>	<u>65 %</u>
CAPITAL PROJECTS						
200 MAINTENANCE PROJECTS	\$ 6,878,204	\$ 1,061,938	15 %	\$ 1,621,818	\$ 97,522	6 %
230 CAPITAL PROJECTS FUND	<u>16,522,335</u>	<u>2,198,638</u>	<u>13 %</u>	<u>11,693,634</u>	<u>4,832,813</u>	<u>41 %</u>
TOTAL CAPITAL PROJECTS	<u>\$ 23,400,539</u>	<u>\$ 3,260,576</u>	<u>14 %</u>	<u>\$ 13,315,452</u>	<u>\$ 4,930,335</u>	<u>37 %</u>

REVENUES AND EXPENDITURES BY FUNCTIONAL AREA  
For the Nine Month Period Ended March 31, 2013

Budget Units by Functional Area	2012-13 Budgeted Expenditures	Amount Expended 03/31/13	%	2012-13 Budgeted Revenues	Amount Realized 03/31/13	%
COUNTY TOTAL	\$ <u>550,171,394</u>	\$ <u>326,087,985</u>	<u>59 %</u>	\$ <u>504,854,491</u>	\$ <u>289,776,214</u>	<u>57 %</u>
GENERAL FUND TOTAL	\$ <u>410,102,614</u>	\$ <u>266,326,931</u>	<u>65 %</u>	\$ <u>385,225,728</u>	\$ <u>228,435,434</u>	<u>59 %</u>



### **Section 3: Position Changes**

During the third quarter, January 1, 2013 through March 31, 2013, the following reclassification/reorganization changes were approved by the Board of Supervisors. This report also includes the current vacancy statistics.

#### **Position Allocation Changes Made by the Board of Supervisors:**

##### **Fund Center 166 - Behavioral Health - Allocation Change Approved 1/8/13**

Add .50 FTE - 08608 Drug & Alcohol Worker Series - half time

##### **Fund Center 405 - Public Works - Allocation Change Approved 2/5/13**

Delete 1.00 FTE - 09680 Hydraulic Operations Administrator

Add 1.00 FTE - 01584 Program Manager Series

##### **Fund Center 180 - Social Services - Allocation Change Approved 2/5/13**

Add 2.00 FTE - 01546 Employment/Resource Specialist Series

##### **Fund Center 160 - Public Health - Allocation Change Approved 3/5/13**

Delete 1.00 FTE - 00221 Health Education Specialist

Add 1.00 FTE - 08974 Lead Health Education Specialist

##### **Fund Center 166 – Behavioral Health - Allocation Change Approved 3/12/13**

Add .50 FTE - 08526 Mental Health Therapist Series - half time

##### **Fund Center 132 – District Attorney - Allocation Change Approved 3/19/13**

Add 1.00 FTE - 09647 District Attorney Investigator III - Limited Term

#### **Employee Vacancy Rate**

The County employee vacancy rate as of 3/31/2013 is 4.8%. This equates to 117.50 vacant positions.

## **Section 4: Miscellaneous Financial Issues**

### **Acceptance of Donated Gift Funds:**

Donations made by individuals and community organizations are accepted by the County and appropriated into the proper departmental budgets on an as needed basis. These donations are used to enhance programs and meet special needs throughout the county. It is recommended that the Board accept donations totaling \$54,226.03 on behalf of the following County Departments, as noted below:

- Fund Center 137 – Animal Services: \$14,592
- Fund Center 180 - Social Services: \$490.00
- Fund Center 305 - Parks: \$1,550.00
- Fund Center 377 - Library: \$37,594.03

The Board is asked to approve corresponding appropriation adjustments to transfer gift funds into the operating budgets of Social Services, Parks and the Library. Memos from each of the requesting departments are included in Attachment 2.

### **Relief from Accountability:**

Requests for relief from accountability are presented to the Board in accordance with Government Code requirements. The action relieves the requesting department from active pursuit of receivables, but does not release the responsible parties from the debt owed. Requests to discharge bad debt are only submitted to the Board for action after an extensive investigation has taken place and the department has reached the conclusion that the debt will not be collected. If a department's collection efforts are unsuccessful, cases are often turned over to the County's contract collection agency. The following requests for relief from accountability have been submitted for Board consideration:

- It is requested that the Board discharge \$66,849.16 on behalf of the Department of Social Services Foster Care Assistance program (Fund Center 181) for overpayments in the Foster Care Assistance program that have been determined to be non-collectible.
- It is requested that the Board discharge \$5,133.94 on behalf of the Public Works Department (Fund Center 405) for water and right of way charges that have been determined to be non-collectible.

Memos from the departments are included in Attachment 3.

### **Miscellaneous Budget Adjustments:**

In addition to the items listed above, the Board is asked to approve the following budget adjustments:

1. Approve a budget adjustment in the amount of \$50,000 using General Fund contingencies to fund unanticipated expenditures related to a capital murder trial in FC

- 135 – Public Defender;
2. Approve a budget adjustment in FC 181-Foster Care and Adoptions to increase expenditure appropriation by \$286,538 to be funded by unanticipated Realignment revenue;
  3. Approve a budget adjustment in FC 185-General Assistance to increase expenditure appropriation by \$110,259 to be offset by unanticipated Supplemental Security Income (SSI) reimbursements;
  4. Amend the Fixed Asset List for the Sheriff's Office to include a software interface in the amount of \$19,130;
  5. Approve a budget adjustment financed by the Inmate Welfare Trust Fund (IWF) appropriation in the amount of \$35,551 for the camera project in FC 136–Sheriff-Coroner and amend the Fixed Asset List to add a server and storage for the camera surveillance system for the Sheriff's Office in the amount of \$35,014;
  6. Approve a budget adjustment request to approve the use of the California Law Enforcement Equipment Program (CLEEP) funding in the amount of \$31,280 to cover the Records Management System (RMS) upgrade in FC 136–Sheriff-Coroner and amend the Fixed Asset List to add the RMS upgrade in the amount of \$35,752;
  7. Approve a budget adjustment in the amount of \$133,611 using Public Facilities Fees - Library collected during FY 2012-13 to make the annual loan payment, and increase the Designated Fund Balance-Library Cambria in the General Government Building Replacement Fund by a corresponding amount;
  8. Amend the Fixed Asset List for Fund Center 109-Assessor to add software in the amount of \$30,000 to integrate the County's Arc GIS Database into the Assessor's Assessment Evaluation Services (AES) software.

Sitting as the Board of Supervisors for the San Luis Obispo Flood Control and Water Conservation District:

Approve a budget adjustment in the amount of \$50,000 to transfer funds from the San Luis Obispo County Flood Control and Water Conservation District Reserves to Flood Control Fund 19 to cover the cost of additional staffing efforts on the Groundwater Management Plan for the Paso Robles Groundwater Basin.

Memos from the departments for requests number 4-6, 8 and the request related to flood control noted above are included in Attachment 4.

### **Surplus Vehicles:**

Requests to declare County vehicles surplus and authorize their disposal are presented to the Board for consideration. County Code Section 2.36.030(5) provides the authority to sell, destroy or otherwise dispose of any personal property belonging to the County and found by the Board of Supervisors not to be required for public use. The General Services Agency requests that the Board declare 14 vehicles surplus and authorize their disposal. A memo from the General Services Agency is included in Attachment 5.

**Section 5: Capital and Maintenance Projects Managed by the  
General Services Agency and Public Works Department**

The third quarter status reports on capital and maintenance projects can be found in Attachment 6. This information is provided to keep the Board apprised of the status of various capital and maintenance projects managed by the General Services Agency and the Public Works department.

## **Section 6: Annual Debt Review**

The annual report from the Auditor-Controller providing a debt review can be found in Attachment 7. This report confirms the County's is compliance with legal debt limitations and indicates the County's overall debt burden and current credit rating.